



Department of Justice

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JUSTICE DEPARTMENT APPROVES ACQUISITION IN OIL AND GAS WELL PRESSURE PUMPING SERVICE INDUSTRY

WASHINGTON, D.C. -- The Department of Justice's Antitrust Division approved a restructured merger between two Houston oil field pressure pumping services companies to benefit consumers and preserve competition in the oil and gas production industry in the Rocky Mountain region.

BJ Services, the third largest U.S. pressure pumping service company with 1993 annual revenues of more than \$390 million, intends to acquire The Western Company of North America, the fourth largest U.S. provider of pressure pumping services to the oil and gas production industry. Western had 1993 annual revenues of more than \$290 million. Both companies are headquartered in Houston.

Pressure pumping services are used to complete oil and gas wells and to increase the amount of oil or gas recoverable from those wells.

The Department indicated to the parties that the proposed acquisition raised serious antitrust concerns in oil field pressure pump services in the Rocky Mountain

region. Because of the Department's concerns, BJ Services agreed to sell pressure pumping equipment located at its Brighton, Colorado, facility to Nowsco Well Service Ltd, headquartered in Calgary, Canada. In light of the agreement by BJ Services, the Department will not challenge the acquisition of Western.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said, "This divestiture will preserve the competition between oil and gas well pressure pumping services in the Rocky Mountain region that would have been lost if the merger had taken place as originally structured. Small to medium-sized independent oil and gas producers will benefit from the competition provided by independent competitors."

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